

TOWNSHIP OF ROSE

Oakland Co.

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2004

TOWNSHIP OF ROSE

TOWNSHIP OFFICIALS

Supervisor - Chester Koop
Treasurer - Susan Slaughter
Clerk - Alison Kalcec

TOWNSHIP BOARD

David Gordon
Alison Kalcec
Chester Koop
Susan Slaughter
Donald Walls

TOWNSHIP ATTORNEY

Booth Patterson

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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September 30, 2004

Board of Trustees
Township of Rose
204 Franklin Street
Holly, Michigan 48442

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Rose as of and for the year ended June 30, 2004, which collectively comprise the Township of Rose's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Rose's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Rose as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The Management's Discussion and Analysis and other required supplementary information on pages 29 through 31 and 34 through 79 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Rose's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining statements and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Township of Rose Oakland County Michigan

Management Discussion and Analysis June 30, 2004

Within this section of Rose Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2004. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various nonfinancial factors as well.

The second government-wide statement is the Statement of Activities. This report demonstrates how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and state revenue sharing. Governmental activities include such activities as general government, public safety, and planning and zoning. Fiduciary activities, as reported in the current tax fund and trust and agency funds are not included in the government-wide statements since these assets are not available to fund Township programs or activities.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is reflected in the combining statements later in this report.

The Township has two kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year was \$ 1,922,287. This is a \$ 246,623 increase over last year's net assets of \$ 1,675,664.

The following tables provide a summary of the Township's financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities
Current and other assets	\$ 1,817,135
Capital assets	164,532
	<hr/>
Total assets	1,981,667
	<hr/>
Current liabilities	59,380
	<hr/>
Net assets:	
Invested in capital assets, net of related debt	164,532
Restricted	617,986
Unrestricted	1,139,769
	<hr/>
Total net assets	\$ 1,922,287
	<hr/>

Summary of Changes in Net Assets

Revenues:	
Program revenues	
Charges for services	\$ 238,599
Operating grants and contributions	192,237
General revenues	
State shared revenues	419,443
Property taxes	512,555
Other	44,940
Total revenues	<u>1,407,774</u>
Expenses	
General government	671,357
Public safety	310,211
Public works	142,277
Parks and recreation	11,118
Community development	26,188
Total expenses	<u>1,161,151</u>
Increase in net assets before transfers	246,623
Beginning net assets	<u>1,675,664</u>
Ending net assets	<u>\$ 1,922,287</u>

The Township's net assets have increased \$246,623 overall for the year ended June 30, 2004. This is consistent with the Township's financial statements for the last five years. However, the amount is slightly larger due to the lack of fixed asset purchases and the transfer of equity for the Tipsico Lake Fund.

Financial Analysis of the Township's Funds

The General Fund's fund balance increased by \$65,044 for the year ended June 30, 2004. This amount was net of transfers of \$5,000 made to the Building Fund and the Cemetery Fund. Amounts are similar to the prior years in which revenues are primarily derived from state shared revenues and property taxes, and expenditures are generally for basic township operations and road improvements.

Besides the General Fund, the Township had three (3) other major funds consisting of the Fire, Building, and Tipsico Lake funds. The Fire Fund and Building funds had very little variance from the prior year operations. However, the Tipsico Lake Fund was created during the year to account for the lake maintenance and related activities authorized by the Tipsico Lake Board for the residents within this special assessment district. Previously the funds for Tipsico Lake were accounted for by Oakland County Treasurer, but were transferred during the year to the Township.

General Fund Budgetary Highlights

The Township adopted it's budget prior to the beginning of the fiscal year ended June 30, 2004. During the year the budget was amended to reflect changes in estimated revenues and expenditures for the year.

Amendments made during the year where immaterial in nature, and were primarily due to over/under estimations. The Township did not exceed budgeted appropriations for any expenditures during the fiscal year.

The budget was reduced slightly from the prior fiscal periods due to anticipated decreases in state revenue sharing, and stagnant development in the area.

Capital Asset and Debt Administration

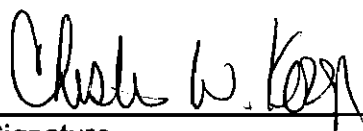
The Township acquired no additional capital assets or debt in the current fiscal period. Total depreciation expense allocated to governmental fund activities totaled \$13,454

Economic Conditions and Future Activities

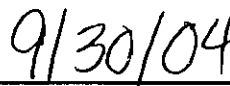
Given the continued slow recovery of the economy, the Township continues to anticipate further future reductions in state shared revenues. The Township also participates in various grants for community services and infrastructure development. These grant activities were included in the financial statements for the year ended June 30, 2004 and are continuing into the next fiscal period.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Township of Rose 204 Franklin St., Holly, MI 48442.



Signature



Date

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

TOWNSHIP OF ROSE
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,658,587
Receivables	
State shared revenues	140,945
Accounts receivable - other	17,603
Capital assets	
Land	129,032
Building and improvements	46,280
Machinery and equipment	85,225
Less: accumulated depreciation	<u>(96,005)</u>
Total assets	<u>1,981,667</u>
LIABILITIES	
Accounts payable	<u>59,380</u>
NET ASSETS	
Investment in capital assets	164,532
Restricted for:	
Fire protection	386,315
Public works	231,671
Unrestricted	<u>1,139,769</u>
Total net assets	<u>\$ 1,922,287</u>

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF ROSE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Governmental Activities
GOVERNMENTAL ACTIVITIES				
General government	\$ (671,357)	\$ 192,002	\$	\$ (479,355)
Public safety	(310,211)			(310,211)
Public works	(142,277)	46,597	170,112	74,432
Parks and recreation	(11,118)			(11,118)
Community development	(26,188)		22,125	(4,063)
Total governmental activities	<u>\$ (1,161,151)</u>	<u>\$ 238,599</u>	<u>\$ 192,237</u>	<u>(730,315)</u>
General Revenues:				
Property taxes, levied for general purpose				512,555
State shared revenues				419,443
Investment income				21,934
Other revenues				<u>23,006</u>
Total general revenues				<u>976,938</u>
Change in net assets				246,623
Net assets, July 1, 2003				<u>1,675,664</u>
Net assets, June 30, 2004				<u>\$ 1,922,287</u>

The accompanying notes are an integral part of the financial statements

FUND
FINANCIAL
STATEMENTS

TOWNSHIP OF ROSE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30 2004

	General	Fire Fund	Tipsico Lake Fund	Building Fund	Non-major Funds	Total
<u>ASSETS</u>						
ASSETS						
Cash and cash equivalents	\$ 676,487	\$ 386,315	\$ 185,155	\$ 208,488	\$ 202,142	\$ 1,658,587
Receivables						
State shared revenues	140,945					140,945
Accounts	9,335				2,533	11,868
Due from other funds	5,735					5,735
Total assets	<u>\$ 832,502</u>	<u>\$ 386,315</u>	<u>\$ 185,155</u>	<u>\$ 208,488</u>	<u>\$ 204,675</u>	<u>\$ 1,817,135</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$ 25,195	\$	\$ 24,335	\$	\$ 6,996	\$ 56,526
Due to other funds					2,854	2,854
Total liabilities	<u>25,195</u>		<u>24,335</u>		<u>9,850</u>	<u>59,380</u>
FUND BALANCES						
Unreserved	807,307			208,488		1,015,795
Designated		<u>386,315</u>	<u>160,820</u>		<u>194,825</u>	<u>741,960</u>
Total fund balances	<u>807,307</u>	<u>386,315</u>	<u>160,820</u>	<u>208,488</u>	<u>194,825</u>	<u>1,757,755</u>
Total liabilities and fund balances	<u>\$ 832,502</u>	<u>\$ 386,315</u>	<u>\$ 185,155</u>	<u>\$ 208,488</u>	<u>\$ 204,675</u>	<u>\$ 1,817,135</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - total government funds	<u>\$ 1,757,755</u>
Capital assets used in governmental activities are not current financial resources and therefore are not reported on the balance sheet:	
Property and equipment	260,537
Accumulated depreciation	<u>(96,005)</u>
Net reconciliations	<u>164,532</u>
Net assets of governmental activities	<u>\$ 1,922,287</u>

The accompanying notes are an integral part of the financial statements

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TOWNSHIP OF ROSE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	General	Fire Fund	Tipsico Lake Fund	Building Fund	Non-major Funds	Total
REVENUES						
Taxes	\$ 222,588	\$ 289,967	\$	\$	\$	\$ 512,555
Special assessments			20,658		25,939	46,597
State shared revenues	419,443					419,443
Grant - federal					22,125	22,125
County transfer			170,112			170,112
Licenses and permits	24,912				97,441	122,353
Charges for services	54,974				14,675	69,649
Interest	12,929	4,039	1,342	2,382	1,242	21,934
Miscellaneous	9,641			4,570	8,795	23,006
Total revenues	744,487	294,006	192,112	6,952	170,217	1,407,774
EXPENDITURES						
General government	548,339			3,493	107,544	659,376
Law enforcement	27,125					27,125
Fire protection		283,086				283,086
Community development					26,188	26,188
Parks and recreation	9,645					9,645
Public works	89,334		31,292		21,651	142,277
Total expenditures	674,443	283,086	31,292	3,493	155,383	1,147,697
Excess of revenues over (under) expenditures	70,044	10,920	160,820	3,459	14,834	260,077
OTHER FINANCING SOURCES (USES)						
Transfers in				2,000	3,000	5,000
Transfers out	(5,000)					(5,000)
Total other financing sources (uses)	(5,000)			2,000	3,000	
Excess of revenues over (under) expenditures and other financing sources (uses)	65,044	10,920	160,820	5,459	17,834	260,077
FUND BALANCE, JULY 1, 2003	742,263	375,395		203,029	176,991	1,497,678
FUND BALANCE, JUNE 30, 2004	\$ 807,307	\$ 386,315	\$ 160,820	\$ 208,488	\$ 194,825	\$ 1,757,755

Amounts reported for governmental activities in the statement activities are different due to:

Revenues over expenditures and other financing sources (uses)	\$ 260,077
Governmental funds report capital assets as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over other useful lives and reported as depreciation expense. There were no current year acquisitions of capital assets.	
Depreciation expense	(13,454)
Changes in net assets of governmental activities	\$ 246,623

The accompanying notes are an integral part of the financial statements

NOTES
TO
FINANCIAL
STATEMENTS

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Rose conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3)unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints place on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for the activity associated with contracting for fire protection services. This fund is supported by property taxes approved from a separately voted millage.

The Tipsico Lake Fund accounts for the activities related to the maintenance of the area surrounding Tipsico Lake. The residents benefiting from this maintenance are assessed amounts relating to the cost of this maintenance.

The Building Fund accounts for the activities related to the transfers made by the General fund to provide for future capital improvements.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general, special revenue and capital projects funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis

For year ended June 30, 2004, expenditures exceeded appropriations in several functional activities.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2003 levy was assessed at an adjusted taxable value of \$202,908,880 and equalized value was \$286,001,580. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General Township	1.0719
Fire	<u>1.4348</u>
Total millage	<u>2.5067</u>

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of the Township of Rose as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ 12	Trust and Agency Fund	\$ 12
General Fund	2,869	Current Tax Collection Fund	2,869
General Fund	310	Community Development Fund	310
General Fund	<u>2,544</u>	Cable PEG Fund	<u>2,544</u>
	<u>\$ 5,735</u>		<u>\$ 5,735</u>

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 4 - EMPLOYEE RETIREMENT PLAN

The Township participates in the Manulife Defined Contribution Pension Plan Group No. 89571 for Michigan Township employees. This is a single-employer plan. All full-time employees are eligible to participate in the plan. The Township contributes 10% of participant's compensation, while an employee may contribute 1% to 10% of compensation. Annual compensation used to determine the current year contribution is as of July 1, preceding the year. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	\$ <u>21,468</u>
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These balances reflect contributions for the period from July 1, 2003 to June 30, 2004. The current year employee and employer contribution for the year ended June 30, 2004, was \$33,186. Interest has been credited to June 30, 2004.

NOTE 5 - POST-EMPLOYMENT BENEFITS

In the early 1990's the Township approved a resolution to offer all eligible full-time employees/elected officials medical, hospitalization, and dental insurance. To be eligible one must complete 16 years of service and have obtained the age of 65. The Township only contributes the costs of having coverage as a single person. As of the year ended June 30, 2004 there were 3 individuals receiving these benefits and 1 other individual having completed the service requirement, but have yet to obtain the age of 65. There are also 8 individuals that may qualify to receive these benefits, but have not met the service or age prerequisites.

The expenditures made on behalf of the 3 individuals collecting post-employment benefits for the fiscal year ending June 30, 2004 was \$18,667. The Township is funding this program on a pay-as-you-go basis and has not obtained an actuarial evaluation of future obligations.

**NOTE 6 - RECONCILIATION OF FUND FINANCIAL STATEMENTS
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances - total governmental funds	\$ 1,757,755
Capital assets used in governmental activities are not current financial resources and therefore are not reported on the balance sheet:	
Property and equipment	260,537
Accumulated depreciation	<u>(96,005)</u>
Net assets of governmental activities	<u>\$ 1,922,287</u>

TOWNSHIP OF ROSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 200,000	\$	\$ 200,000	200,000
Uninsured and uncollateralized	<u>1,458,587</u>	<u>27,987</u>	<u>1,486,574</u>	<u>1,505,648</u>
Total deposits	<u>\$ 1,658,587</u>	<u>\$ 27,987</u>	<u>\$ 1,686,574</u>	<u>\$ 1,705,648</u>

NOTE 9 - CONTINGENT LIABILITIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 10 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended June 30, 2004. All required statements and disclosures have been included in the basic financial statements.

REQUIRED SUPPLEMENTARY
INFORMATION

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 215,650	\$ 221,550	\$ 222,588	\$ 1,038
State shared revenues	444,000	423,875	419,443	(4,432)
Licenses and permits	20,250	23,450	24,912	1,462
Charges for services	48,325	54,845	54,974	129
Other revenues	29,200	9,825	22,570	12,745
Total revenues	<u>757,425</u>	<u>733,545</u>	<u>744,487</u>	<u>10,942</u>
EXPENDITURES				
Township board	14,850	13,200	11,741	1,459
Supervisor	39,475	39,375	39,375	
Elections	14,170	8,849	6,880	1,969
Assessor	29,600	28,116	27,686	430
Clerk	84,935	83,875	83,199	676
Board of review	1,950	1,400	1,400	
Treasurer	102,560	98,500	97,419	1,081
Building and grounds	13,975	13,975	11,447	2,528
Unallocated	204,130	189,970	177,548	12,422
Law enforcement	28,050	27,625	27,125	500
Planning commission	101,950	79,425	79,369	56
Zoning board of appeals	3,700	1,475	1,290	185
Public works	92,100	90,100	89,334	766
Senior citizens	2,000	750	750	
Community promotion	3,625	3,625	3,625	
Parks and recreation	5,100	10,600	9,645	955
Library	6,610	6,610	6,610	
Total expenditures	<u>748,780</u>	<u>697,470</u>	<u>674,443</u>	<u>23,027</u>
Excess of revenues over (under) expenditures	8,645	36,075	70,044	33,969
OTHER FINANCING (USES)				
Transfers (out)	<u>(8,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	
Excess of revenues over (under) expenditures and other financing sources (uses)	645	31,075	65,044	33,969
FUND BALANCE, JULY 1, 2003	<u>742,263</u>	<u>742,263</u>	<u>742,263</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 742,908</u>	<u>\$ 773,338</u>	<u>\$ 807,307</u>	<u>\$ 33,969</u>

TOWNSHIP OF ROSE
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 290,000	\$ 290,000	\$ 289,967	\$ (33)
Interest income	2,550	2,550	4,039	1,489
Total revenues	292,550	292,550	294,006	1,456
EXPENDITURES				
Contractual services	283,165	283,165	280,619	2,546
Miscellaneous		2,000	2,467	(467)
Total expenditures	283,165	285,165	283,086	2,079
Excess of revenues over expenditures	9,385	7,385	10,920	3,535
FUND BALANCE, JULY 1, 2003	375,395	375,395	375,395	
FUND BALANCE, JUNE 30, 2004	\$ 384,780	\$ 382,780	\$ 386,315	\$ 3,535

TOWNSHIP OF ROSE
TIPSICO LAKE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
County taxes	\$	\$ 170,110	\$ 170,112	\$ 2
Special assessments		20,650	20,658	8
Interest		<u>1,150</u>	<u>1,342</u>	<u>192</u>
Total revenues		191,910	192,112	202
EXPENDITURES				
Lake maintenance		<u>20,075</u>	<u>31,292</u>	<u>(11,217)</u>
Excess of revenues over (under) expenditures		171,835	160,820	(11,015)
FUND BALANCE, JULY 1, 2003				
FUND BALANCE, JUNE 30, 2004	<u>\$</u>	<u>\$ 171,835</u>	<u>\$ 160,820</u>	<u>\$ (11,015)</u>

SUPPLEMENTARY
INFORMATION

COMBINING
STATEMENTS

TOWNSHIP OF ROSE
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	<u>Fire</u>	<u>Building Inspection</u>	<u>Fish Lake</u>	<u>Tipsico Lake</u>
<u>ASSETS</u>				
ASSETS				
Cash and investments	\$ 386,315	\$ 19,028	\$ 7,835	\$ 185,155
Due from county				
Accounts receivable - cable				
Total assets	<u>\$ 386,315</u>	<u>\$ 19,028</u>	<u>\$ 7,835</u>	<u>\$ 185,155</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Accounts payable	\$	\$ 4,026	\$ 2,170	\$ 24,335
Due to other funds				
Total liabilities		<u>4,026</u>	<u>2,170</u>	<u>24,335</u>
FUND BALANCE				
Reserved for endowment				
Unreserved	<u>386,315</u>	<u>15,002</u>	<u>5,665</u>	<u>160,820</u>
Total fund balance	<u>386,315</u>	<u>15,002</u>	<u>5,665</u>	<u>160,820</u>
Total liabilities and fund balance	<u>\$ 386,315</u>	<u>\$ 19,028</u>	<u>\$ 7,835</u>	<u>\$ 185,155</u>

<u>Cemetery</u>	<u>Cable PEG</u>	<u>Community Development</u>	<u>Lake Braemar</u>	<u>Street Lighting</u>	<u>Totals</u>
\$ 41,732	\$ 68,361	\$ 310	\$ 64,348	\$ 838	\$ 773,612
	2,223				310
					2,223
<u>\$ 41,732</u>	<u>\$ 70,584</u>	<u>\$ 310</u>	<u>\$ 64,348</u>	<u>\$ 838</u>	<u>\$ 776,145</u>
\$ 800	\$ 2,544	\$ 310	\$	\$	\$ 31,331
					2,854
<u>800</u>	<u>2,544</u>	<u>310</u>			<u>34,185</u>
35,329					35,329
<u>5,603</u>	<u>68,040</u>		<u>64,348</u>	<u>838</u>	<u>706,631</u>
<u>40,932</u>	<u>68,040</u>		<u>64,348</u>	<u>838</u>	<u>741,960</u>
<u>\$ 41,732</u>	<u>\$ 70,584</u>	<u>\$ 310</u>	<u>\$ 64,348</u>	<u>\$ 838</u>	<u>\$ 776,145</u>

TOWNSHIP OF ROSE
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Totals</u>
ASSET			
Cash and investments	<u>\$ 2,869</u>	<u>\$ 25,118</u>	<u>\$ 27,987</u>
LIABILITIES			
Due to other funds	\$ 2,869	\$ 12	\$ 2,881
Performance bonds	<u> </u>	<u>25,106</u>	<u>25,106</u>
Total liabilities	<u>\$ 2,869</u>	<u>\$ 25,118</u>	<u>\$ 27,987</u>

TOWNSHIP OF ROSE
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Fire</u>	<u>Building Inspection</u>	<u>Fish Lake</u>	<u>Tipsico Lake</u>
REVENUES				
Property taxes	\$ 289,967	\$	\$	\$
County transfers				170,112
Business licenses and permits		97,441		
Special assessments			7,795	20,658
Franchise fees				
Lot sales and transfers				
Grant revenue				
Interest	4,039	112	66	1,342
Total revenues	<u>294,006</u>	<u>97,553</u>	<u>7,861</u>	<u>192,112</u>
EXPENDITURES				
Fire protection	283,086			
Ordinance enforcement		86,148		
Lake maintenance			7,125	31,292
Cemetery maintenance				
Community development				
Street lighting				
Total expenditures	<u>283,086</u>	<u>86,148</u>	<u>7,125</u>	<u>31,292</u>
Excess of revenues over (under) expenditures	<u>10,920</u>	<u>11,405</u>	<u>736</u>	<u>160,820</u>
OTHER FINANCING SOURCES				
Transfers in				
Excess of revenues over (under) expenditures and other financing sources	10,920	11,405	736	160,820
FUND BALANCE, JULY 1, 2003	<u>375,395</u>	<u>3,597</u>	<u>4,929</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 386,315</u>	<u>\$ 15,002</u>	<u>\$ 5,665</u>	<u>\$ 160,820</u>

<u>Cemetery</u>	<u>Cable PEG</u>	<u>Community Development</u>	<u>Lake Braemar</u>	<u>Street Lighting</u>	<u>Totals</u>
\$	\$	\$	\$	\$	\$
					289,967
					170,112
					97,441
			17,194	950	46,597
	8,795				8,795
14,675					14,675
		22,125			22,125
434			623	7	6,623
<u>15,109</u>	<u>8,795</u>	<u>22,125</u>	<u>17,817</u>	<u>957</u>	<u>656,335</u>
					283,086
					86,148
			13,576		51,993
21,396					21,396
	4,063	22,125			26,188
				950	950
<u>21,396</u>	<u>4,063</u>	<u>22,125</u>	<u>13,576</u>	<u>950</u>	<u>469,761</u>
(6,287)	4,732		4,241	7	186,574
<u>3,000</u>					<u>3,000</u>
(3,287)	4,732		4,241	7	189,574
<u>44,219</u>	<u>63,308</u>		<u>60,107</u>	<u>831</u>	<u>552,386</u>
<u>\$ 40,932</u>	<u>\$ 68,040</u>	<u>\$</u>	<u>\$ 64,348</u>	<u>\$ 838</u>	<u>\$ 741,960</u>

INDIVIDUAL
FUNDS

GENERAL
FUND

TOWNSHIP OF ROSE
GENERAL FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments	\$ 676,487
Accounts receivable	9,335
State shared revenues receivable	140,945
Due from other funds	<u>5,735</u>

Total assets

\$ 832,502

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 25,195
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FUND BALANCE

Undesignated	<u>807,307</u>
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Total liabilities and fund balance

\$ 832,502

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 221,550	\$ 222,588	\$ 1,038
State shared revenues	423,875	419,443	(4,432)
Licenses and permits	23,450	24,912	1,462
Charges for services	54,845	54,974	129
Other revenues	9,825	22,570	12,745
Total revenues	<u>733,545</u>	<u>744,487</u>	<u>10,942</u>
EXPENDITURES			
Township board	13,200	11,741	1,459
Supervisor	39,375	39,375	
Elections	8,849	6,880	1,969
Assessor	28,116	27,686	430
Clerk	83,875	83,199	676
Board of review	1,400	1,400	
Treasurer	98,500	97,419	1,081
Building and grounds	13,975	11,447	2,528
Unallocated	189,970	177,548	12,422
Law enforcement	27,625	27,125	500
Planning commission	79,425	79,369	56
Zoning board of appeals	1,475	1,290	185
Public works	90,100	89,334	766
Senior citizens	750	750	
Community promotion	3,625	3,625	
Parks and recreation	10,600	9,645	955
Library	6,610	6,610	
Total expenditures	<u>697,470</u>	<u>674,443</u>	<u>23,027</u>
Excess of revenues over expenditures	36,075	70,044	33,969
OTHER FINANCING (USES)			
Transfer (out)	(5,000)	(5,000)	
Excess of revenues over expenditures and other financing (uses)	31,075	65,044	33,969
FUND BALANCE, JULY 1, 2003	<u>742,263</u>	<u>742,263</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 773,338</u>	<u>\$ 807,307</u>	<u>\$ 33,969</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PROPERTY TAXES	\$ 221,550	\$ 222,588	\$ 1,038
STATE SHARED REVENUES	<u>423,875</u>	<u>419,443</u>	<u>(4,432)</u>
LICENSES AND PERMITS			
Dog licenses		289	
Cable franchise fees		<u>24,623</u>	
Total licenses and permits	<u>23,450</u>	<u>24,912</u>	<u>1,462</u>
CHARGES FOR SERVICES			
Pest control		3,410	
Planning commission		9,215	
Passports		840	
Board of appeals		1,100	
Tower rental		30,004	
Other charges for services		1,567	
Tax collection fees		<u>8,838</u>	
Total charges for services	<u>54,845</u>	<u>54,974</u>	<u>129</u>
OTHER REVENUES			
Infrastructure grant		8,340	
Interest		12,929	
Miscellaneous		<u>1,301</u>	
Total other revenues	<u>9,825</u>	<u>22,570</u>	<u>12,745</u>
Total revenues	<u>\$ 733,545</u>	<u>\$ 744,487</u>	<u>\$ 10,942</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TOWNSHIP BOARD			
Per diems	\$	\$ 5,100	\$
Health insurance		6,131	
Pension		510	
Total township board	<u>13,200</u>	<u>11,741</u>	<u>1,459</u>
SUPERVISOR			
Salary	<u>39,375</u>	<u>39,375</u>	
ELECTIONS			
Salaries		3,749	
Supplies		1,098	
Postage		119	
Training and memberships		1,143	
Mileage		107	
Repairs		664	
Total elections	<u>8,849</u>	<u>6,880</u>	<u>1,969</u>
ASSESSOR			
Salaries		24,550	
Contracted services		2,417	
Clerical services		313	
Supplies		406	
Total assessor	<u>28,116</u>	<u>27,686</u>	<u>430</u>
CLERK			
Salary		39,375	
Deputy clerk		27,200	
Health insurance		7,862	
Pension		6,657	
Contracted services		1,818	
Supplies		227	
Miscellaneous		60	
Total clerk	<u>83,875</u>	<u>83,199</u>	<u>676</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
BOARD OF REVIEW			
Salaries	<u>1,400</u>	<u>1,400</u>	
TREASURER			
Salary		39,375	
Deputy treasurer		22,160	
Health insurance		28,353	
Pension		6,153	
Supplies		391	
Mileage		<u>987</u>	
Total treasurer	<u>98,500</u>	<u>97,419</u>	<u>1,081</u>
BUILDINGS AND GROUNDS			
Salary		5,324	
Supplies		665	
Mileage		24	
Utilities		3,380	
Repairs		<u>2,054</u>	
Total building and grounds	<u>13,975</u>	<u>11,447</u>	<u>2,528</u>
UNALLOCATED			
Salaries		4,300	
Payroll taxes		20,690	
Health insurance		18,667	
Retirement		1,208	
Supplies		4,119	
Summer tax collection		2,762	
Mailing expense		4,721	
Audit fees		5,670	
Engineering services		201	
Computer services		15,582	
Attorney fees		18,965	
Dues and subscriptions		7,114	
Telephone		8,181	
Printing and publishing		5,889	
Insurance and bonds		46,154	
Prescription reimbursement		1,682	
Miscellaneous		4,402	
Repairs and maintenance		1,420	
Infrastructure projects		2,275	
Small equipment		<u>3,546</u>	
Total unallocated	<u>189,970</u>	<u>177,548</u>	<u>12,422</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
LAW ENFORCEMENT			
Constable		10,000	
Zoning enforcement		10,000	
Health insurance		5,062	
Pension		2,000	
Supplies		11	
Mileage		52	
	<u>27,625</u>	<u>27,125</u>	<u>500</u>
PLANNING COMMISSION			
Salaries		33,900	
Retirement		2,850	
Supplies		240	
Planning services		33,938	
Engineering services		3,766	
Infrastructure projects		3,745	
Dues		930	
	<u>79,425</u>	<u>79,369</u>	<u>56</u>
ZONING BOARD OF APPEALS			
Salaries		725	
Dues		565	
	<u>1,475</u>	<u>1,290</u>	<u>185</u>
PUBLIC WORKS			
Street lighting		2,768	
Recycling		2,217	
Clean-up day		14,864	
Gypsy moth program		2,564	
Chloride		66,921	
	<u>90,100</u>	<u>89,334</u>	<u>766</u>

TOWNSHIP OF ROSE
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - (continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SENIOR CITIZENS	<u>750</u>	<u>750</u>	<u> </u>
COMMUNITY PROMOTION			
Youth assistance	<u>3,625</u>	<u>3,625</u>	<u> </u>
PARKS AND RECREATION			
Repairs		9,445	
Programs and activities		<u>200</u>	
Total parks and recreation	<u>10,600</u>	<u>9,645</u>	<u>955</u>
LIBRARY			
Library services	<u>6,610</u>	<u>6,610</u>	
Total expenditures	<u>\$ 697,470</u>	<u>\$ 674,443</u>	<u>\$ 23,027</u>

FIRE
FUND

TOWNSHIP OF ROSE
FIRE FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 386,315

FUND BALANCE

FUND BALANCE

\$ 386,315

TOWNSHIP OF ROSE
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$	\$ 289,967	\$
Interest income		4,039	
Total revenues	<u>292,550</u>	<u>294,006</u>	<u>1,456</u>
EXPENDITURES			
Contractual services		280,619	
Miscellaneous		2,467	
Total expenditures	<u>285,165</u>	<u>283,086</u>	<u>2,079</u>
Excess of revenues over (under) expenditures	7,385	10,920	3,535
FUND BALANCE, JULY 1, 2003	<u>375,395</u>	<u>375,395</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 382,780</u>	<u>\$ 386,315</u>	<u>\$ 3,535</u>

BUILDING
INSPECTION
FUND

TOWNSHIP OF ROSE
BUILDING INSPECTION FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 19,028

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 4,026

FUND BALANCE

15,002

Total liabilities and fund balance

\$ 19,028

TOWNSHIP OF ROSE
BUILDING INSPECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Business licenses and permits	\$	\$ 97,441	\$
Interest income		112	
Total revenues	<u>95,730</u>	<u>97,553</u>	<u>1,823</u>
EXPENDITURES			
Salaries		31,555	
Payroll taxes		2,414	
Health insurance		9,636	
Retirement		2,867	
Supplies		1,531	
Postage		74	
Audit fees		630	
Inspection fees		31,139	
Office overhead		2,400	
Dues and subscriptions		919	
Telephone		2,940	
Prescription reimbursement		43	
Total expenditures	<u>84,850</u>	<u>86,148</u>	<u>(1,298)</u>
Excess of revenues over expenditures	10,880	11,405	525
FUND BALANCE, JULY 1, 2003	<u>3,597</u>	<u>3,597</u>	
FUND BALANCE, JUNE 30, 2004	<u><u>\$ 14,477</u></u>	<u><u>\$ 15,002</u></u>	<u><u>\$ 525</u></u>

FISH LAKE
FUND

TOWNSHIP OF ROSE
FISH LAKE FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 7,835

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 2,170

RESERVED FUND BALANCE

5,665

Total liabilities and fund balance

\$ 7,835

TOWNSHIP OF ROSE
FISH LAKE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 7,795	\$
Interest income	<u> </u>	<u>66</u>	<u> </u>
Total revenues	7,790	7,861	71
EXPENDITURES			
Maintenance	<u>6,990</u>	<u>7,125</u>	<u>(135)</u>
Excess of revenues over (under) expenditures	800	736	(64)
FUND BALANCE, JULY 1, 2003	<u>4,929</u>	<u>4,929</u>	<u> </u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 5,729</u>	<u>\$ 5,665</u>	<u>\$ (64)</u>

TIPSICO LAKE
FUND

TOWNSHIP OF ROSE
TIPSICO LAKE FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS
Cash

\$ 185,155

LIABILITIES AND FUND BALANCE

LIABILITIES
Accounts payable

\$ 24,335

FUND BALANCE

160,820

Total liabilities and fund balance

\$ 185,155

TOWNSHIP OF ROSE
TIPSICO LAKE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
County transfer	\$	\$ 170,112	\$
Special assessments		20,658	
Interest		<u>1,342</u>	
Total revenues	191,910	192,112	202
EXPENDITURES			
Maintenance	<u>20,075</u>	<u>31,292</u>	<u>(11,217)</u>
Excess of revenues over (under) expenditures	171,835	160,820	(11,015)
FUND BALANCE, JULY 1, 2003			
FUND BALANCE, JUNE 30, 2004	<u>\$ 171,835</u>	<u>\$ 160,820</u>	<u>\$ (11,015)</u>

CEMETERY
FUND

TOWNSHIP OF ROSE
CEMETERY FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 41,732

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 800

FUND BALANCE

Reserved for endowment

\$ 35,329

Unreserved

5,603

Total fund balance

40,932

Total liabilities and fund balance

\$ 41,732

TOWNSHIP OF ROSE
CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Lot sales and transfers	\$	\$ 7,375	\$
Charges for services		7,300	
Interest income		<u>434</u>	
Total revenues	<u>15,325</u>	<u>15,109</u>	<u>(216)</u>
EXPENDITURES			
Salaries		13,865	
Payroll taxes		1,061	
Repairs and maintenance		5,950	
Supplies		<u>520</u>	
Total expenditures	<u>22,165</u>	<u>21,396</u>	<u>769</u>
Excess of revenues over (under) expenditures	(6,840)	(6,287)	553
OTHER FINANCING SOURCES			
Transfer in	<u>3,000</u>	<u>3,000</u>	
Excess of revenues over (under) expenditures and other financing sources	(3,840)	(3,287)	553
FUND BALANCE, JULY 1, 2003	<u>44,219</u>	<u>44,219</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 40,379</u>	<u>\$ 40,932</u>	<u>\$ 553</u>

CABLE

PEG

FUND

TOWNSHIP OF ROSE
CABLE PEG FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments	\$ 68,361
Accounts receivable - cable company	<u>2,223</u>

Total assets		<u>\$ 70,584</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to general fund	\$ 2,544
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FUND BALANCE

<u>68,040</u>

Total liabilities and fund balance	<u>\$ 70,584</u>
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TOWNSHIP OF ROSE
CABLE PEG FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Cable franchise fees	\$ 8,300	\$ 8,795	\$ 495
EXPENDITURES			
Supplies	<u>4,100</u>	<u>4,063</u>	<u>37</u>
Excess of revenues over (under) expenditures	4,200	4,732	532
FUND BALANCE, JULY 1, 2003	<u>63,308</u>	<u>63,308</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 67,508</u>	<u>\$ 68,040</u>	<u>\$ 532</u>

COMMUNITY
DEVELOPMENT
FUND

TOWNSHIP OF ROSE
COMMUNITY DEVELOPMENT FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Due from county

\$ 310

LIABILITIES

LIABILITIES

Due to other funds

\$ 310

TOWNSHIP OF ROSE
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Grant revenues	\$ 29,366	\$ 22,125	\$ (7,241)
EXPENDITURES			
Minor home repairs	29,366	22,125	7,241
Excess of revenues over (under) expenditures			
FUND BALANCE, JULY 1, 2003	_____	_____	_____
FUND BALANCE, JUNE 30, 2004	\$ _____	\$ _____	\$ _____

LAKE
BRAEMAR
FUND

TOWNSHIP OF ROSE
LAKE BRAEMAR FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 64,348

FUND BALANCE

FUND BALANCE

\$ 64,348

TOWNSHIP OF ROSE
LAKE BRAEMAR FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 17,194	\$
Interest income		<u>623</u>	
Total revenues	22,720	17,817	(4,903)
EXPENDITURES			
Repairs and maintenance	<u>22,720</u>	<u>13,576</u>	<u>9,144</u>
Excess of revenues over (under) expenditures		4,241	4,241
FUND BALANCE, JULY 1, 2003	<u>60,107</u>	<u>60,107</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 60,107</u>	<u>\$ 64,348</u>	<u>\$ 4,241</u>

STREET
LIGHTING
FUND

TOWNSHIP OF ROSE
STREET LIGHTING FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 838

FUND BALANCE

FUND BALANCE

\$ 838

TOWNSHIP OF ROSE
STREET LIGHTING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments	\$	\$ 950	\$
Interest income	<u> </u>	<u> 7</u>	<u> </u>
Total revenues	954	957	3
EXPENDITURES			
Utilities	<u>1,034</u>	<u>950</u>	<u>84</u>
Excess of revenues over (under) expenditures	(80)	7	87
FUND BALANCE, JULY 1, 2003	<u>831</u>	<u>831</u>	<u> </u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 751</u>	<u>\$ 838</u>	<u>\$ 87</u>

BUILDING
FUND

TOWNSHIP OF ROSE
BUILDING FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 208,488

FUND BALANCE

FUND BALANCE

\$ 208,488

TOWNSHIP OF ROSE
BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Right of way fees	\$	\$ 4,570	\$
Interest income		<u>2,382</u>	
Total revenues	5,750	6,952	1,202
EXPENDITURES			
Project costs	<u>6,000</u>	<u>3,493</u>	<u>2,507</u>
Excess of revenues over (under) expenditures	(250)	3,459	3,709
OTHER FINANCING SOURCES			
Operating transfer in	<u>2,000</u>	<u>2,000</u>	
Excess of revenues over (under) expenditures and other financing sources	1,750	5,459	3,709
FUND BALANCE, JULY 1, 2003	<u>203,029</u>	<u>203,029</u>	
FUND BALANCE, JUNE 30, 2004	<u>\$ 204,779</u>	<u>\$ 208,488</u>	<u>\$ 3,709</u>

CURRENT
TAX
COLLECTION
FUND

TOWNSHIP OF ROSE
CURRENT TAX COLLECTION FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 2,869

LIABILITIES

LIABILITIES

Due to other funds

\$ 2,869

TRUST
AND
AGENCY
FUND

TOWNSHIP OF ROSE
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2004

ASSETS

ASSETS

Cash and investments

\$ 25,118

LIABILITIES

LIABILITIES

Performance bonds

Due to other funds

\$ 25,106
12

Total liabilities

\$ 25,118